

118

EASTERN EUROPEAN INTELLIGENCER

OCI #0723/68
29 May 1968

Polish Politburo Members Taking Sides in Struggle

Politburo member and trade union chief Loga-Sowinski appears to have thrown his lot with the reformist elements centered around provincial party boss Gierek, while candidate politburo member Jaszczyk appears to be championing the hardline elements of Interior Minister Moczar.

In a 25 May speech to the central trade union plenum in Warsaw, Loga-Sowinski took a harsh stand against the regime's critics for their "negativism," but stressed that reforms in management, trade union relations with central administrative organs, and efforts to modernize the economy are imperative. In reviewing what is good and bad in all these areas, he singled out Gierek's Katowice province as the model for such nationwide reforms.

By contrast, Jaszczyk's 27 May speech to the Warsaw province party organization bristled with criticism of proposals for "market socialism," and "rule by technocrats," saying that such ideas converged with the "imperialist tactics of improving socialism." Unlike Loga-Sowinski, Jaszczyk also called for a continuing purge of "politically uncommitted" persons from the administrative and economic apparatus.

These speeches are one of the few clues evident so far of the incipient factional alignment of the party leadership which may come to a head at the party plenum scheduled for next month.

25X1

25X1

Yugoslavia's Creeping Capitalism

With strong backing from the business community, Yugoslav bankers have proposed that enterprises be allowed to issue bonds as a means of attracting needed funds.

The concept, while not entirely new in Yugoslavia, does include the innovation that business firms may sell bonds to clients who would not participate in the management nor ownership of the business and who could resell these securities on the market at varying prices. Some consideration is also reportedly being given to non-voting stock with flexible

GROUP I
EXCLUDED FROM AUTOMATIC
DOWNGRADING AND DECLASSIFICATION

CONFIDENTIAL

CONFIDENTIAL

-2-

dividend rates. According to the embassy however, formal legislative action on these proposals seems a long way off.

The Yugoslavs are becoming more receptive to private capital as a means of stimulating the country's economy. The first privately financed textile mill is scheduled to open later this month and the Yugoslavs recently concluded an agreement with Fiat for the investment of private capital in the Yugoslav auto industry. [REDACTED]

25X1

25X1

Cardinal Wyszynski Sends Farewell Greetings to Gronouski

Although Cardinal Wyszynski did not attend the farewell reception for Ambassador Gronouski at the US Embassy on 25 May, he sent his personal secretary to express his warmest regards. He explained that to protect the position of the church in Poland, the cardinal does not maintain even indirect contact with the diplomatic community, and implied that his own presence at Gronouski's reception was a deviation from this rule.

Reviewing church-state relations with an Embassy officer, the cardinal's secretary said that the situation remains calm, but that the regime is continuing its low level harassment of churches and priests in the countryside. Efforts to divide the clergy from the hierarchy also continue, the latest being the scheduled unveiling of a regime-sponsored monument to Pope John XXIII in Wroclaw on 5 June. The regime is attempting to bribe priests to participate in the ceremony against Wyszynski's orders. The episcopate has long been opposed to the whole project, in which it was not invited to participate, and which it considers a device to split the Vatican and the faithful from Catholic Poland's hierarchy. [REDACTED]

25X1

Controversial Yugoslav Journal May Stop Publication

The presses of the Marxist philosophical journal Praxis may come to a screeching halt if it cannot solve its current financial crisis. The editors blame the situation on the refusal of the Croatian authorities to grant the publication any subsidy for 1968. Praxis has gained a world-wide reputation for its "humanist Marxist" line and has been censured several times by Yugoslav party leaders.

CONFIDENTIAL

CONFIDENTIAL

-3-

This is the second time that the Croatian government has used a financial squeeze to bring pressure to bear on Praxis. The journal was forced to stop publication between mid-1966 and early 1967, but later had its subsidy restored. The latest financial pressure indicates that the regime hopes to silence the publication by slow fiscal strangulation.

25X1

Yugoslav Defense Chief in East Germany

Defense Secretary Ljubicic arrived in East Berlin on 27 May at the head of a Yugoslav military delegation. So far the public statements by Ljubicic and his East German counterpart, General Hoffman, have been relatively mild. The Yugoslav praised Yugoslav-East German friendship, denounced neo-nazism and revanchism in Bonn, and alluded to Yugoslavia's exposure to NATO pressures from Greece and Italy. Hoffman in turn referred to the "aggressive policy" of the Kiesinger-Strauss government.

25X1

Yugoslav's Debut "Virginia Woolf" in Soviet Union

"Who's Afraid of Virginia Woolf" was enthusiastically received in its Russian debut on 26 May. The Yugoslav theatre group, "Studio 212" was given eight curtain calls after presenting Edward Albee's play before a packed house in Leningrad's Kommissarzhevskiy theatre. Members of the Russian audience had to don earphones for simultaneous translation from Serbo-Croatian. A Moscow performance is scheduled for 29 May.

25X1

NOTE: THE VIEWS EXPRESSED ABOVE REPRESENT
ONLY THE ANALYSIS OF THE EE DIVISION

CONFIDENTIAL